



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Rabobank, National Association, El Centro, California, Acquires All the Deposits of Two Banks in California

Butte Community Bank, Chico, and Pacific State Bank, Stockton

Butte Community Bank, Chico, California, and Pacific State Bank, Stockton, California, were closed today by the California Department of Financial Institutions, which then appointed the Federal Deposit Insurance Corporation (FDIC) as receiver for the two banks. To protect depositors, the FDIC entered into purchase and assumption agreements with Rabobank, National Association, El Centro, California, to assume all the deposits and essentially all the assets of the two failed banks, which were not affiliated with one another.

Collectively, the failed banks operated 23 branches, which will reopen as branches of Rabobank, National Association under their normal business hours, including those offices with Saturday hours. Butte Community Bank has 14 branches, and Pacific State Bank has nine branches. Depositors will automatically become depositors of Rabobank, National Association. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage.

Customers of the two failed banks should continue to use their former branches until they receive notice from Rabobank, National Association that it has completed systems changes to allow other Rabobank, National Association branches to process their accounts as well. Over the weekend, depositors can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of June 30, 2010, Butte Community Bank had total assets of \$498.8 million and total deposits of \$471.3 million; and Pacific State Bank had total assets of \$312.1 million and



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-194-2010

total deposits of \$278.8 million. Rabobank, National Association will pay the FDIC a premium of 4.05 percent to assume all of the deposits of Butte Community Bank, but it did not pay the FDIC a premium for the deposits of Pacific State Bank.

The FDIC and Rabobank, National Association entered into loss-share transactions on \$425.4 million of Butte Community Bank's assets; and \$249.7 million of Pacific State Bank's assets. Rabobank, National Association will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please

visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transactions can call the FDIC toll free: for Butte Community Bank customers, 1-800-450-5417; and for Pacific State Bank customers, 1-800-640-2693. The phone numbers will be operational this evening until 9:00 p.m. Pacific Daylight Time; on Saturday from 9:00 a.m. to 6:00 p.m. PDT; on Sunday from noon until 6:00 p.m. PDT; and thereafter from 8:00 a.m. to 8:00 p.m. PDT.

Interested parties also can visit the FDIC's Web sites: for Butte Community Bank, <http://www.fdic.gov/bank/individual/failed/butte.html>; and for Pacific State Bank, <http://www.fdic.gov/bank/individual/failed/pacificbk.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) for Butte Community Bank will be \$17.4 million; and for Pacific State Bank, \$32.6 million. Compared to other alternatives, Rabobank, National Association's acquisition was the least costly resolution for the FDIC's DIF.

These closings bring the total for the year to 116 banks in the nation, and the seventh and eighth in California. Prior to these failures, the last FDIC-insured bank closed in the state was Granite Community Bank, National Association, Granite Bay, on May 28, 2010.
